

**DIRECT TESTIMONY OF**

**ALLEN W. ROOKS**

**ON BEHALF OF**

**DOMINION ENERGY SOUTH CAROLINA, INC.**

**DOCKET NO. 2020-125-E**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT POSITION.**

A. My name is Allen W. Rooks. My business address is 400 Otarre Parkway, Cayce, South Carolina 29033. I am employed by Dominion Energy Southeast Services (“DESS”) as Manager of Electric Pricing and Rate Administration for Dominion Energy South Carolina, Inc. (“DESC” or the “Company”).

**Q. DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.**

A. I graduated from the University of South Carolina (“USC”) in May 1995 with a Bachelor of Science Degree in Business Administration with a major in Management Science. In May 2002, I earned a Master of Business Administration Degree at USC. Since joining SCANA Corporation on a full-time basis in July 1996, I have held analytical positions within the Rates & Regulatory and Financial Planning Departments. I have participated in cost of service studies, rate development and design, financial planning and budgeting,

1 rate surveys, responses to regulatory information requests, and rate evaluation  
2 programs primarily for the Company's electric operations. I assumed my  
3 present position with SCANA Services, Inc. in April 2014, and have stayed in  
4 this position with DESS. I am a member of the Southeastern Electric Exchange  
5 Rates and Regulation Section and served as Chairman of the group during the  
6 2013 calendar year.

7 **Q. PLEASE BRIEFLY SUMMARIZE YOUR DUTIES WITH DOMINION**  
8 **ENERGY SOUTH CAROLINA, INC.**

9 A. As Manager of Electric Pricing and Rate Administration, I am responsible  
10 for designing and administering the Company's electric rates and tariffs to  
11 comply with regulatory orders and relevant state statutes.

12 **Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE THE**  
13 **PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**  
14 **(“COMMISSION”)?**

15 A. Yes, I have testified before the Commission in previous proceedings.

16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
17 **PROCEEDING?**

18 A. The principal purposes of my testimony are to provide, sponsor, and  
19 discuss:

- 20 • **Rate Design** - I present the rate design the Company is proposing in this  
21 proceeding. The rate design takes the revenue requirement produced by the  
22 cost of service study and creates specific rates. These rates are designed so

1 that, if they had been applied throughout the test period, they would have  
2 produced the Company's requested revenue requirement. These rates would  
3 allow the Company the opportunity to earn the level of revenue required to  
4 cover its costs including cost of capital in the future.

- 5 • **Updates to the Company's Demand Side Management ("DSM") and**  
6 **Storm Damage Components** - Consistent with Commission Order No.  
7 2010-472, I present the adjustment to the Rider to Retail Rates – DSM  
8 Component ("DSM Rate Rider") to reduce the DSM Rate Rider, which was  
9 last updated pursuant to Commission Order No. 2020-332, to reflect that a  
10 portion of the net lost revenues associated with DESC's DSM programs will  
11 be recovered through the new base electric rates for which the Company is  
12 requesting approval. I also present the derivation of Storm Damage  
13 Component factors by customer class to reflect the Company's proposal to  
14 re-establish collection of a Storm Damage reserve, as originally approved in  
15 Commission Order No. 1996-15, and subsequently suspended by  
16 Commission Order No. 2010-471.
- 17 • **Tariffs, Facility Charges, and Terms and Conditions** - In addition, I will  
18 also present the various individual changes, apart from the rate adjustments,  
19 that the Company is proposing in its tariffs as well as proposed modifications  
20 to the Company's facility charges and General Terms and Conditions of  
21 Service for its retail electric customers in South Carolina.

**RATE DESIGN**

**Q. WHAT IS THE COMPANY'S OBJECTIVE IN THE RATE DESIGN EFFORT?**

A. Our continuing objective in rate design is to provide electric service to our customers at fair prices while earning an adequate return for investors. The objectives of our rate design effort have been to price rates appropriately, to maintain a reasonable level of simplicity in rates, and to continue to offer rate choices that meet customer needs. We believe that rates should be designed to recover costs and provide clear market signals to promote the efficient use of electricity. Prices should encourage off-peak use, higher load factors, and investments in energy efficient equipment. Rates should help customers improve their efficiency and their ability to compete in domestic and foreign markets. We want to encourage new customers to locate in South Carolina as well as keep existing customers in the State. In addition, we believe that rates should be set so that rates and revenues will be stable and predictable over time. We want to offer helpful rate choices to our customers. But we also want rates to be simple and transparent so that customers can understand their options and use them to their best advantage. In this proceeding, we reviewed those objectives against our existing rates and have determined that the existing rate structure does not require any modification at this time.

1 **Q. PLEASE BRIEFLY DESCRIBE THE COMPANY'S RATE DESIGN**  
2 **PROCESS.**

3 A. As a first step, the Company verifies that all billing units (e.g. number of  
4 accounts, demand units, and energy units) for each rate schedule produce the test  
5 year (in this case, the twelve months ending December 31, 2019) sales revenue  
6 recorded in the Company's books and records after being multiplied by  
7 Commission approved rate schedule charges. For the Lighting class of service,  
8 the Company verifies billing units from the final month of the test year and  
9 multiplies these units by 12 months for its rate design purposes.

10 After the test year billing units have been verified, the Company bills out  
11 each rate schedule using currently approved rates (in this case, May 2020 rates)  
12 to produce its current annualized sales revenue based upon current rates.

13 When the Company has completed its final pro-forma adjusted Cost of  
14 Service study and apportioned the proposed revenue to its various customer  
15 classes of service, as discussed by Company Witness Kochems, our rate design  
16 team adjusts the various rate schedule charges within each class of service to  
17 produce the required revenue, corresponding rate impacts by class, and final rate  
18 schedules for Commission approval, which are included in the Company's  
19 Application as Exhibit B.

20

**Q. PLEASE SUMMARIZE THE RESULTS OF RATE DESIGN CHANGES PROPOSED IN THE COMPANY'S APPLICATION BY RETAIL ELECTRIC CLASS OF SERVICE.**

A. Exhibit No. \_\_\_\_ (AWR-1) summarizes the revenues produced and percentage increases resulting from the Company's proposed electric rate changes in this proceeding. It also separately details the impact of the DSM Rate Rider adjustment and restoration of a Storm Damage Component, which will both be described later in this testimony. The net percentage impacts by customer class are as follows:

Residential	7.73%
Small General Service ("SGS")	7.20%
Medium General Service ("MGS")	8.17%
Large General Service ("LGS")	8.68%
Lighting	3.13%
Retail Total	7.75%

**Q. DO THE REQUESTED RATES INCLUDE ANY PROPOSED CHANGES TO THE BASIC FACILITIES CHARGE?**

A. Yes. DESC proposes to make changes to the Basic Facilities Charge ("BFC") for its Residential, SGS, MGS, and LGS customers. For the classes where the Company is proposing a BFC increase, the amount of the charge will still be significantly less than the actual and continuous expenditures necessary to provide customers in these classes with the ability to use electricity. For the

1 LGS class, the Company is recommending a decrease to the BFC to move this  
2 charge towards the customer cost produced by the Cost of Service study.

3 A summary of the Company's proposed BFC changes is included as  
4 Exhibit No. \_\_\_\_ (AWR-2).

5 **Q. PLEASE DISCUSS DESC'S PROPOSED RESIDENTIAL BFC**  
6 **INCREASE.**

7 A. The Company is keenly aware of the sensitivity of customer charge (or  
8 BFC) increases on residential accounts with lower than average monthly  
9 kilowatt-hour ("kWh") usage. However, the Company also believes that it is  
10 important to take measured steps over time to bring actual BFC's into closer  
11 alignment with these per account costs required to serve customers regardless of  
12 usage each month. The actual per account costs total \$19.49 per month (as  
13 shown in Exhibit No. \_\_\_\_ (AWR-2)), but DESC is not seeking to recover the  
14 full amount of these per account costs. Rather, DESC proposes to raise its  
15 residential electric BFC's by \$2.50 per month to \$11.50 total. This proposal  
16 would make a reasonable and measured step towards aligning customer-related  
17 costs with pricing for residential customers and would keep the Company's  
18 monthly customer charge comparable to other electric service providers in the  
19 State.

20 Also, to mitigate the impact on the Company's lower use residential  
21 electric customers, the Company is proposing to increase the BFC for its Rate 2  
22 – Low Use Residential Service rate by \$1.25 per month (or half of the proposed

1 residential class BFC increase). The Company believes these measured steps  
2 with respect to residential BFC increases are reasonable, cost-justified, and in  
3 keeping with the principle of “gradualism” in ratemaking.

4 **DSM RATE RIDER ADJUSTMENT**

5 **Q. WHAT ARE DESC’S CURRENTLY APPROVED DSM RATE RIDER**  
6 **COMPONENTS BY CUSTOMER CLASS?**

7 A. Commission Order No. 2020-332, issued April 30, 2020, approved the  
8 following DSM components per kWh, effective with the first billing cycle of  
9 May 2020: Residential - \$0.00220 / kWh; SGS - \$0.00402 / kWh; MGS -  
10 \$0.00261 / kWh; and LGS - \$0.00116 / kWh.

11 **Q. PLEASE EXPLAIN THE PROPOSED REDUCTION TO THE DSM**  
12 **RATE RIDER TO RETAIL RATES.**

13 A. By Order No. 2010-472, dated July 15, 2010, the Commission approved  
14 the Company’s suite of DSM programs and authorized DESC to establish a Rate  
15 Rider. The Rate Rider is currently designed to allow the Company to recover  
16 the costs and net lost revenues associated with its DSM programs, along with a  
17 shared savings incentive equal to 9.9% of the net benefits derived from the  
18 Company’s DSM programs, as authorized by Commission Order No. 2019-880.

19 Order No. 2010-472 specifically provided that “[r]ecovery through the  
20 rate rider of net lost revenues pertaining to a group of measures adopted by  
21 customers in prior program years shall cease upon the implementation of new  
22 retail electric rates in a general rate case proceeding to the extent that those new

1 rates explicitly or implicitly allow the Company to recover the net lost revenues  
2 associated with the implementation of those measures in those prior periods.”  
3 In Order No. 2020-332 from the Company’s most recent DSM update  
4 proceeding, the Commission granted DESC’s petition to update its DSM Rate  
5 Rider. That update allowed the Company to recover, among other things, net  
6 lost revenues based on the actual and forecasted level of customer participation  
7 in each DSM measure from December 1, 2017, to November 30, 2020, and the  
8 reduction in demand charges and megawatt-hour sales projected to occur. DESC  
9 proposes to reduce the Rate Rider to reflect the removal of the net lost revenues  
10 associated with the Company’s DSM programs from December 1, 2017, to  
11 December 31, 2019, because those net lost revenues will be recovered through  
12 the new base electric rates for which the Company is requesting approval in this  
13 Docket. The updated Rate Rider will still include net lost revenues occurring  
14 from January 1, 2020, to November 30, 2020, in addition to the program costs  
15 and shared savings incentive approved in Order No. 2020-332. Stated  
16 differently, net lost revenues occurring after the test year utilized in this  
17 Application will remain in the calculation for purposes of determining the  
18 revised DSM factors.

19 Because net lost sales projections are not available on a monthly basis,  
20 the Company multiplied the projected net lost sales for DSM Program Year 10  
21 (December 1, 2019 through November 30, 2020) by eleven-twelfths (11/12) to

1 determine the amount of net lost revenues to remain in the updated Rate Rider  
2 calculation.

3 A calculation of the revised DSM Rate Rider Exhibits for net lost  
4 revenues and total DSM rate calculations by customer class are provided as  
5 Exhibit Nos. \_\_\_\_ (AWR-3 & 4), respectively, and the Company proposes that  
6 the components determined therein be made effective simultaneously with the  
7 rates Ordered by the Commission in this case. A copy of the updated DSM Rate  
8 Rider has also been included in Exhibit B of the Company's Application for  
9 Commission approval.

10 **Q. IS THE COMPANY PROPOSING TO TRUE-UP THE NET LOST**  
11 **REVENUES OCCURRING PRIOR TO DECEMBER 31, 2019, IN THIS**  
12 **FILING?**

13 A. No. The Company is not proposing a true-up of the net lost revenues in  
14 this filing. Pursuant to Order No. 2020-332, the forecasted amounts of net lost  
15 revenues for the period December 1, 2018, to November 30, 2019, will be  
16 recalculated and trued-up in the Company's January 2021 annual DSM filing.  
17 The forecasted amounts of net lost revenues for the period December 1, 2019, to  
18 November 30, 2020, will be recalculated and trued-up in the Company's January  
19 2022 annual DSM filing.

20

1   **Q.    IS THE TREATMENT DESCRIBED ABOVE CONSISTENT WITH THE**  
2       **DSM NET LOST REVENUE ADJUSTMENT IN THE COMPANY’S 2012**  
3       **RATE PROCEEDING?**

4   A.       Yes.

5   **Q.    WHAT IMPACT WILL THE COMPANY’S PROPOSED DSM RATE**  
6       **RIDER DECREASE HAVE ON A RESIDENTIAL CUSTOMER BILL?**

7   A.       The DSM Rate Rider adjustment proposed by the Company would  
8       decrease the average monthly bill for a residential customer using 1,000 kWh by  
9       \$0.62.

10           **RESTORATION OF A STORM DAMAGE COMPONENT**

11   **Q.    PLEASE BRIEFLY EXPLAIN DESC’S STORM DAMAGE**  
12       **COMPONENT.**

13   A.       In Order No. 1996-15 (Docket No. 1995-1000-E), the Commission  
14       established a Storm Damage Reserve Component for the recovery of storm-  
15       related costs on the Company’s system through ‘per kWh’ components that  
16       would be embedded within its retail electric energy, or kWh, charges.

17           Commission Order No. 2010-471 in the Company’s 2010 rate case  
18       (Docket No. 2009-489-E) suspended recovery of Storm Damage Component  
19       collections from customers, subject to future reinstatement by the Commission.

20           As discussed in the Direct Testimony of Company Witnesses Kissam and  
21       Griffin, the Company is proposing to reinstate Storm Damage Component

1 collections from customers using a 5-year average of storm damage costs on the  
2 DESC system in this proceeding.

3 **Q. PLEASE DESCRIBE THE DERIVATION OF STORM DAMAGE**  
4 **COMPONENT FACTORS BY CLASS OF SERVICE.**

5 A. Exhibit No. \_\_\_\_ (AWR-5) details the calculation of Storm Damage  
6 Component factors by electric class of service that the Company proposes in this  
7 proceeding. The vast majority of storm related damage and associated expense  
8 is borne by the Company's 'wires' or Transmission and Distribution systems.  
9 Accordingly, the Company has used the composite Gross Plant in Service  
10 Allocations for the Transmission and Distribution functions from the per books  
11 Cost of Service study presented in this case to assign costs to customer classes.  
12 This is consistent with the approach used to allocate costs when the components  
13 were originally established in Docket No. 1995-1000-E. These allocated costs  
14 are then divided by class-specific test year kWh sales to determine the per kWh  
15 Components proposed for each class of service in this case.

16 **Q. DOES THE COMPANY HAVE ANY ADDITIONAL**  
17 **RECOMMENDATIONS WITH RESPECT TO THE STORM DAMAGE**  
18 **COMPONENT?**

19 A. Yes. The Company is proposing in this proceeding to establish a formal  
20 rate schedule for the Storm Damage Component which will be titled "Rider to  
21 Retail Rates – Storm Damage Component." A copy of this rider can be found  
22 in Exhibit B to the Company's Application in this docket. This Rider will

1 provide customers a more transparent reference for the associated rate factors  
2 applicable to energy charges for each class of service.

3 **Q. WHAT IMPACT WILL THE COMPANY'S PROPOSED**  
4 **RESTORATION OF A STORM DAMAGE COMPONENT HAVE ON A**  
5 **RESIDENTIAL CUSTOMER BILL?**

6 A. Reinstating collection of the Storm Damage Component, as proposed by  
7 the Company in its Application, would increase the average monthly bill for a  
8 residential customer using 1,000 kWh by \$0.61.

9 **TARIFFS, FACILITY CHARGES, AND TERMS & CONDITIONS**

10 **Q. COULD YOU PLEASE SUMMARIZE THE SPECIFIC RATE**  
11 **SCHEDULE AND OTHER CHANGES THAT THE COMPANY IS**  
12 **PROPOSING IN THIS FILING?**

13 A. Yes. DESC is proposing to discontinue the Company's Rate 21A –  
14 Experimental Program and the Tax Rider to Retail Rates in this proceeding. The  
15 Company is also recommending modifications to its Rate 6, certain Lighting  
16 schedules, Facility Charges, and General Terms and Conditions. These  
17 proposals are discussed below.

18 **Proposal to Discontinue Rate 21A Experimental Program**

19 **Q. PLEASE EXPLAIN THE RATE 21A EXPERIMENT AND WHY THE**  
20 **COMPANY UNDERTOOK IT.**

21 A. On January 31, 2003, the Commission issued Order No. 2003-38 in  
22 Docket No. 2002-223-E that, among other provisions, approved a stipulation

1 agreement between the Company and the South Carolina Merchants Association  
2 (“SCMA”). Under the terms of the stipulation, and as set forth in Order No.  
3 2003-38 at page 88, the Company created an experimental Rate 21A, the purpose  
4 of which was:

- 5 • to determine if a discount will encourage MGS customers to make  
6 operational changes resulting in a shifting of peak loads to off-peak  
7 periods and/or the shedding of peak loads;
- 8 • to determine the extent of any changes in usage; and
- 9 • to determine what, if any, discount is appropriate as a result of any  
10 reduction of peak load.

11 The Company pre-filed Direct Testimony proposing to terminate Rate  
12 21A in its 2010 rate case (Docket No. 2009-489-E), but subsequently entered  
13 into a Stipulation in that case that was approved by the Commission allowing  
14 the Experimental Rate to continue.

15 **Q. AT THE CLOSE OF THE TEST PERIOD, HOW MANY CUSTOMERS**  
16 **WERE RECEIVING SERVICE UNDER RATE SCHEDULE 21A?**

17 A. As of the end of December 2019, the Company had 104 accounts taking  
18 service on Rate 21A, which were made up of a mix of grocery stores, department  
19 stores, and other retail businesses.

1 **Q. HOW MUCH OF A DISCOUNT HAS BEEN DESIGNED INTO RATES**  
2 **FOR 21A CUSTOMERS?**

3 A. Each time DESC has undertaken rate design for the MGS Class of  
4 customers since the inception of this program, it has designed Rate 21A charges  
5 to produce a discount of 4% lower than the comparable bill that would have  
6 resulted from its standard rate, Rate 20, for a profile customer explicitly detailed  
7 in Commission Order No. 2003-38.

8 **Q. WHAT OPERATIONAL OBSERVATIONS HAS DESC MADE WITH**  
9 **RESPECT TO ITS RATE 21A CUSTOMERS?**

10 A. Based upon analysis conducted by the Company's Resource Planning  
11 team, Rate 21A customers have appeared to actually increase their peak loads  
12 for both the summer and winter on-peak periods designated in the rate schedule  
13 over the study period from 2005 – 2019.

14 Additionally, Company examination of Rate 21A customer load profiles  
15 during the summer and winter seasons of calendar year 2019 showed no  
16 appreciable difference between how Rate 21A customers consumed power when  
17 compared to customers on the other rate schedules (20 and 21) in the MGS class.

18 **Q. GIVEN THE GOALS OF THE EXPERIMENT SET FORTH IN**  
19 **COMMISSION ORDER NO. 2003-38 ABOVE, HAS DESC OBSERVED**  
20 **ANY CHANGES IN RATE 21A CUSTOMER BEHAVIOR THAT**  
21 **WOULD WARRANT A CONTINUATION OF THIS DISCOUNT?**

1 A. No. Given that Rate 21A customers appear to have increased on-peak  
2 consumption and that their load profiles show no appreciable difference in how  
3 they consume power when compared to other MGS customers, there is no  
4 justification for a continuation of this experimental rate and its associated  
5 discount. For the duration of this experiment, other customers in the Company's  
6 MGS class have subsidized this discount with no appreciable system benefits to  
7 show for it. This is not an outcome that should be allowed to continue.

8 **Q. WHAT DOES DESC RECOMMEND REGARDING RATE 21A?**

9 A. Since Rate 21A customers did not shift consumption to off-peak periods,  
10 which was the desired outcome of this experiment, DESC recommends that Rate  
11 21A be discontinued and that accounts currently on the rate be served on an  
12 alternate rate schedule, to be selected by the customer.

13 Also, with the proposal to eliminate Rate 21A, the Company recognizes  
14 that customers currently receiving service under this rate schedule would be  
15 subject to higher increases than other MGS customers, and therefore proposes  
16 that the increase to these customers be phased in over a two-year period.

17 **Q. DOES THE COMPANY'S RATE DESIGN PROPOSED IN THIS**  
18 **APPLICATION REFLECT THIS PROPOSAL TO DISCONTINUE**  
19 **RATE 21A AND MOVE THOSE CUSTOMERS TO AN AVAILABLE**  
20 **RATE IN THE MGS CLASS?**

21 A. Yes, it does.  
22

Proposal to Discontinue Rider to Retail Rates – Tax Rider

**Q. PLEASE DISCUSS THE COMPANY’S RIDER TO RETAIL ELECTRIC RATES – TAX RIDER.**

A. The current Tax Rider to retail electric rates originated in the Company’s merger proceeding (Docket No. 2017-370-E) as a way to incorporate savings into customer bills related to the federal Tax Cuts & Jobs Act (“TCJA”) of 2017 simultaneously with the Commission-approved rates in that proceeding. It is applied as a 3.07% reduction to billed rate schedule charges, as approved by the Commission, and remains in place today.

**Q. WAS THE TAX RIDER ENVISIONED AS A LONG-TERM MECHANISM TO PASS REDUCTIONS RELATED TO FEDERAL TAX CODE CHANGES TO DESC CUSTOMERS?**

A. No. The Tax Rider was proposed as a temporary solution to pass tax reform savings associated with the TCJA to DESC customers until the Company’s next general rate proceeding. Now that the Company is able to reflect the impacts of tax reform in a full cost of service study for all electric customer classes of service, these federal tax code changes should be reflected in and folded into base rates; not partially applied in base rates and partially applied in a Tax Rider, as is currently the case.

1     **Q.     WHAT IS THE COMPANY’S RECOMMENDATION WITH RESPECT**  
2     **TO THE TAX RIDER?**

3       A.           DESC's recommendation is that the Tax Rider be discontinued effective  
4       simultaneously with the rates approved by the Commission in this proceeding.

5     **Q.     DOES THE COMPANY’S RATE DESIGN PROPOSED IN THIS**  
6           **APPLICATION REFLECT THIS PROPOSAL TO DISCONTINUE THE**  
7           **TAX RIDER?**

8       A.           Yes, it does. The benefits of the TCJA are now moving from the Tax  
9       Rider into base rates.

10 Proposed Rate 6 Modifications

11     **Q.     WHAT CHANGES IS THE COMPANY PROPOSING TO ITS**  
12     **RESIDENTIAL RATE 6 – ENERGY SAVER/CONSERVATION RATE?**

A. The Company is proposing to update its documentation requirements for new and existing homeowners to ensure compliance with the latest standards. It is also removing citations of the Council of American Builders Model Energy Code and replacing them with citations of the state of South Carolina approved International Energy Conservation Code, and is updating several of its “Thermal and Air Conditioning Requirements for Energy Conservation.”

19           The Company has not made any changes to Rate 6 requirements since  
20           proposing an update to the Air Conditioning SEER requirement in its 2010 rate  
21           proceeding (Docket No. 2009-489-E), so these changes are warranted to increase  
22           the construction standards of homebuilders in our service territory and to justify

1 the approximate 4% discount that Rate 6 homeowners receive over the  
2 Company's standard residential Rate 8 in the Company's current rate design  
3 process.

4 All of the Company's proposed modifications can be reviewed in detail  
5 in redline form in the Company's proposed Rate 6 schedule in Exhibit B of the  
6 Application and the Company would respectfully request Commission approval  
7 of these updates.

8 **Q. IS THE COMPANY REQUIRING EXISTING AND PREVIOUSLY**  
9 **APPROVED RATE 6 CUSTOMERS TO RE-CERTIFY UNDER THE**  
10 **NEW REQUIREMENTS?**

11 A. No. All previously approved premises/customers will be allowed to  
12 continue service on Rate 6.

13 Updates to Lighting Rate Schedules

14 **Q. WHAT CHANGES ARE BEING PROPOSED BY DESC TO ITS**  
15 **LIGHTING RATE SCHEDULES?**

16 A. The Company is proposing to move several lighting fixtures, that it can  
17 no longer procure or maintain inventory for, into the discontinued section of each  
18 applicable rate schedule and to update some descriptions in its lighting tariffs to  
19 provide more clarity to customers. Also, the Company is proposing to adjust its  
20 Rider to Residential Subdivision Streetlighting applicable to accounts in the  
21 former town of James Island in Charleston County, which was originally  
22 approved by the Commission in Order No. 98-594. All proposed changes can

1 be reviewed in detail in redline form in the Company's proposed lighting rates  
2 included in Exhibit B of the Application.

3 Facility Charge Update

4 **Q. PLEASE BRIEFLY DISCUSS THE COMPANY'S PROPOSED UPDATE**  
5 **TO ITS FACILITY CHARGE RATE.**

6 A. The Company's rate schedules allow for the application of a facility  
7 charge in cases where revenue under a Customer's applicable rate schedule is  
8 not sufficient to cover the Company's cost to serve or in cases where the  
9 Customer has specifically requested non-standard service facilities/equipment  
10 for reasons of increased reliability, specialized load requirements, or other  
11 business reasons. This is in keeping with cost causation principles which hold  
12 that where possible, costs should be assigned directly to the entity most  
13 responsible for their being incurred. These facility charges protect other  
14 customers from bearing the burden of supporting this additional investment,  
15 while also serving to provide the Customer an option to deploy their own or  
16 Company-supplied capital in the field.

17 In this proceeding, the Company proposes to lower its internal policy  
18 facility charge rate from 2.25% per month to 1.75% per month for all existing  
19 and prospective contracts subject to this policy rate, to better align the rate with  
20 the Company's carrying costs on capital. The monetary adjustment associated  
21 with this change is reflected in the pro-formas presented in the testimony of  
22 Company Witness Kochems.

Proposed Modifications to the Electric General Terms and Conditions (“GT&C”)

**Q. PLEASE SUMMARIZE THE CHANGES PROPOSED BY THE COMPANY TO ITS ELECTRIC GT&C IN THIS PROCEEDING.**

A. In its preparation for this case, the Company conducted a review of its GT&C, and has submitted for review a detailed redlined version of all proposed changes to the document in Exhibit B to the Application. Some brief examples of the changes are given below and can generally be summarized in one of the following categories:

Safety – Safety is a core value of Dominion Energy and we are constantly in pursuit of ways to improve safety for Company personnel in our daily operations. In keeping with this goal, the Company is proposing to add language that would allow it to deny or disconnect service to customers who make direct threats against the Company or its personnel during the course of performing their duties with the Company. Also, the Company is proposing several changes that require customers to notify the Company before installing generation at their premises and to comply with current South Carolina Generator Interconnection Standards for parallel operation.

Reliability – The Company is proposing additional “right-of-way” language that would allow existing “rights-of-way” to be maintained even if a customer were to disconnect service, so that the Company may continue to operate its existing facilities in service of other customers.

1 Compliance with Rules & Regulations of this Commission – DESC  
2 proposes to add an additional bullet to its Customer Deposit language to comport  
3 with Regulation 103-331 with respect to non-residential customer deposit  
4 requirements.

5 Liability & Risk Mitigation – DESC requests to add language related to  
6 customer equipment, weather-related damage, and customer behavior that  
7 communicates to customers in a more understandable fashion the Company's  
8 responsibilities with respect to loss of service.

9 Remaining changes would be characterized as clarifications or  
10 grammatical changes.

11 **CONCLUSION**

12 **Q. WHAT WOULD THE COMBINED IMPACT OF THE COMPANY'S**  
13 **FILING HAVE ON A RESIDENTIAL CUSTOMER BILL?**

14 A. The net impact of the Company's Application would increase the average  
15 monthly bill for a Rate 8 residential customer using 1,000 kWh by \$9.68.

16 **Q. WHAT REQUESTS DOES THE COMPANY MAKE OF THE**  
17 **COMMISSION IN THIS PROCEEDING?**

18 A. DESC respectfully requests that the Commission approve the revised  
19 schedules of electric rates and charges attached to the Company's Application  
20 in this docket as Exhibit B and that these revised electric rates and charges be  
21 effective for all retail electric customer classes for bills rendered on and after the  
22 first billing cycle of March 2021.

1           With respect to its DSM Rate Rider, DESC respectfully requests that the  
2 Commission approve the tariff sheet entitled “Rider to Retail Rates – Demand  
3 Side Management Component” which is submitted in Exhibit B of the  
4 Company’s Application. The Company also requests that this updated DSM  
5 Rate Rider become effective for all retail electric customer classes  
6 simultaneously with any rate relief Ordered by the Commission in this  
7 proceeding.

8           Additionally, the Company respectfully requests that the Commission  
9 approve reinstatement of the Storm Damage Component and associated Rider,  
10 as well as the discontinuance of Rate 21A – Experimental Program – General  
11 Service Time-of-Use Demand and the Tax Rider, for the reasons set forth in this  
12 testimony. DESC also respectfully requests that the Commission approve the  
13 proposed changes to the Company’s Rate 6 – Residential Service Energy  
14 Saver/Conservation Rate, Lighting rate schedules, facility charge rate, and  
15 General Terms and Conditions.

16 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

17 **A.**           Yes.

## DOMINION ENERGY SOUTH CAROLINA

RATE DESIGN SUMMARY  
 PROPOSED INCREASE OVER CURRENT (MAY 2020) RATES  
 TWELVE MONTHS ENDING 12/31/2019 TEST PERIOD

CUSTOMER CLASS	CURRENT ANNUALIZED REVENUE	PROPOSED INCREASE		DSM COMPONENT DECREASE	PROPOSED REVENUE (NET)	\$ CHANGE	% CHANGE
		STORM DAMAGE COMPONENT	BASE RATE INCREASE				
RESIDENTIAL	\$ 1,009,033,061	\$ 5,035,088	\$ 78,114,867	\$ (5,117,629)	\$ 1,087,065,387	\$ 78,032,326	7.73%
SMALL GENERAL SERVICE	\$ 425,981,612	\$ 1,907,290	\$ 33,479,664	\$ (4,695,399)	\$ 456,673,167	\$ 30,691,555	7.20%
MEDIUM GENERAL SERVICE	\$ 190,285,450	\$ 769,065	\$ 15,930,819	\$ (1,151,097)	\$ 205,834,237	\$ 15,548,787	8.17%
LARGE GENERAL SERVICE	\$ 470,207,030	\$ 1,308,201	\$ 39,813,588	\$ (331,284)	\$ 510,997,535	\$ 40,790,505	8.68%
LIGHTING	\$ 59,882,186	\$ 715,730	\$ 1,159,042	\$ -	\$ 61,756,958	\$ 1,874,772	3.13%
RETAIL TOTAL	\$ 2,155,389,339	\$ 9,735,374	\$ 168,497,980	\$ (11,295,409)	\$ 2,322,327,284	\$ 166,937,945	7.75%
TOTAL PROPOSED INCREASE:			\$ 178,233,354				

## DOMINION ENERGY SOUTH CAROLINA

## BASIC FACILITIES CHARGE SUMMARY

<u>CUSTOMER CLASS</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>COST OF SERVICE</u>
<b>RESIDENTIAL</b>			
Rates 1, 6, 8	\$9.00	\$11.50	
Rate 2	\$9.00	\$10.25	
Rates 5, 7	\$13.00	\$15.50	
Residential Class (Cost of Service)			\$19.49
<b>SMALL GENERAL SERVICE ("SGS")</b>			
Rates 3, 9, 13	\$19.50	\$22.00	
Rates 10, 14, 16 (ULP Only)	\$9.00	\$11.50	
Rates 11, 16, 28	\$23.15	\$25.65	
Rates 12, 22	\$13.80	\$16.30	
Rate 9 Unmetered Svc. Provision	\$7.00	\$8.25	
SGS Class (Cost of Service)			\$32.64
<b>MEDIUM GENERAL SERVICE ("MGS")</b>			
Rate 20	\$180.00	\$190.00	
Rate 21	\$195.00	\$205.00	
MGS Class (Cost of Service)			\$306.04
<b>LARGE GENERAL SERVICE ("LGS")</b>			
Rates 23, 24, 27, Contracts	\$1,875.00	\$1,750.00	
LGS Class (Cost of Service)			\$1,186.26

**DOMINION ENERGY SOUTH CAROLINA**  
**Projection and True-Up of Net Lost Revenues for DSM Rate Calculation - 2020 Rate Case Update**  
**From January 2020 - November 2020**

Customer Class	Cumulative Energy Savings (in KWH) <sup>1</sup>	Net Lost Revenue Factors (\$ per KWH)	Estimated Net Lost Revenues for Recovery in Next Rate Period	Program Year Eight True-Up Amount as Detailed Below <sup>2</sup>	Net Lost Revenues for Rate Calculation
Residential	26,171,750	\$0.09488	\$ 2,483,176	\$ (1,804,464)	\$ 678,712
Small General Service	22,725,181	\$0.08633	\$ 1,961,865	\$ 840,894	\$ 2,802,759
Medium General Service	11,096,367	\$0.06257	\$ 694,300	\$ (108,889)	\$ 585,411
Large General Service	10,921,868	\$0.03722	\$ 406,512	\$ (267,783)	\$ 138,729
			\$ 5,545,853	\$ (1,340,242)	\$ 4,205,611

**Notes:**

<sup>1</sup> Cumulative Energy Savings have been reduced per Commission Order No. 2010-472 and are projected for the last 11 months of Program Year Ten (through 11/30/2020).

<sup>2</sup> Detailed calculation of the True-Up for Program Year Eight:

Customer Class	Actual Energy Savings (in KWH) from EM&V Study	Net Lost Revenue Factors (\$ per KWH)	Net Lost Revenue Incurred	Net Lost Revenue Collected from Customers	Calculated True-Up
Residential	17,454,000	\$0.11912	\$ 2,079,120	\$ 3,883,584	\$ (1,804,464)
Small General Service	25,010,433	\$0.10806	\$ 2,702,627	\$ 1,861,733	\$ 840,894
Medium General Service	8,111,596	\$0.07897	\$ 640,573	\$ 749,462	\$ (108,889)
Large General Service	5,266,971	\$0.04935	\$ 259,925	\$ 527,708	\$ (267,783)

**DOMINION ENERGY SOUTH CAROLINA**  
**DSM Rate Calculation - 2020 Rate Case Update**  
**(For the Recovery Period of May 2020 - April 2021)**

Exhibit No.	Description	Total	Customer Class			
			Residential	Small General Service	Medium General Service	Large General Service
3	Amortization of Program Costs	\$ 24,021,909	\$ 11,725,490	\$ 6,245,370	\$ 3,049,352	\$ 3,001,697
4	Estimated Net Lost Revenues	\$ 4,205,611	\$ 678,712	\$ 2,802,759	\$ 585,411	\$ 138,729
6	Shared Savings Incentive	\$ 1,297,412	\$ 383,442	\$ 696,236	\$ 172,048	\$ 45,686
	<b>Total DSM Costs for Recovery</b>	<b>\$ 29,524,932</b>	<b>\$ 12,787,644</b>	<b>\$ 9,744,365</b>	<b>\$ 3,806,811</b>	<b>\$ 3,186,112</b>
	<b>Projected Class Sales (in GWH) during the Recovery Period <sup>1</sup></b>		<b>8,075.1</b>	<b>3,582.3</b>	<b>1,891.9</b>	<b>3,044.8</b>
	<b>Adjusted Rate per KWH</b>		<b>\$ 0.00158</b>	<b>\$ 0.00272</b>	<b>\$ 0.00201</b>	<b>\$ 0.00105</b>
	<b>2020-41-E Approved Factors</b>		<b>\$ 0.00220</b>	<b>\$ 0.00402</b>	<b>\$ 0.00261</b>	<b>\$ 0.00116</b>
	<b>Difference</b>		<b>\$ (0.00062)</b>	<b>\$ (0.00130)</b>	<b>\$ (0.00060)</b>	<b>\$ (0.00011)</b>

**Notes:**

<sup>1</sup> Projected Class Sales are for the Recovery Period of May 2020 - April 2021 and are adjusted to account for those customers who have opted-out of DESC's DSM programs.

**DOMINION ENERGY SOUTH CAROLINA**  
**Derivation of Storm Damage Component Factors**

Proposed Revenue Requirement \$ 9,839,863

Customer Class	Allocation to Classes				Assignment of Revenue Requirement	kWh Sales per Rate Design	Storm Damage Comp. Factors per kWh
	Distribution Gross Plant (000's)	Transmission Gross Plant (000's)	Total T&D Gross Plant (000's)	Allocation			
Residential	\$ 1,888,572	\$ 869,406	\$ 2,757,978	50.94%	\$ 5,012,426	8,254,241,544	\$ 0.00061
Small General Service	\$ 681,544	\$ 372,523	\$ 1,054,067	19.47%	\$ 1,915,821	3,667,869,007	\$ 0.00052
Medium General Service	\$ 248,247	\$ 173,060	\$ 421,307	7.78%	\$ 765,541	2,136,289,288	\$ 0.00036
Large General Service	\$ 281,238	\$ 427,519	\$ 708,757	13.09%	\$ 1,288,038	7,695,297,231	\$ 0.00017
Street Lighting	\$ 408,691	\$ 1,855	\$ 410,546	7.58%	\$ 745,862	293,442,300	\$ 0.00254
Wholesale	\$ 1,018	\$ 60,377	\$ 61,395	1.14%	\$ 112,174	882,367,244	\$ 0.00013
Total	\$ 3,509,310	\$ 1,904,740	\$ 5,414,050	100.00%	\$ 9,839,862	22,929,506,614	